NASH MOTORS COMPANY

HISTORY

The Nash Motors Company was incorporated with a perpetual charter under the laws of the State of Maryland on June 29, 1916, as both a holding and an operating company, and during the same year was granted permission to do business in the state of Wisconsin, where in the cities of Kenosha, Racine and Milwaukee its main offices and plants, as well as the plants of its subsidiaries, are located. Under the terms of the charter, the company may manufacture passenger cars, trucks, motors and parts thereof. While the company has greatly expanded since the time of its organization through the acquisition of its present subsidiaries, and the control of entirely owned companies, the general nature of the organization has not changed.

On August 16, 1916, the Nash Motors Company acquired ownership of the Thomas B. Jeffery Company, gaining the property, assets, business and capital stock of the latter concern for which it paid $5,000,000 in preferred stock and 49,990 shares of no-par common stock. The Jeffery Company had been engaged in producing the Jeffery automobile and prior to that the Rambler automobile.

In October, 1919, Nash acquired half interest in the Seaman Body Corporation of Milwaukee. This company was organized in the same year to take over the W. S. Seaman Company. Control of the Seaman Body Corporation was further secured in 1920 at which time Nash built a new factory for Seaman which it now occupies under lease, and which is represented on Nash's books under the heading "Miscellaneous Investments." The Seaman Body Corporation builds closed bodies with about 90 per cent. of the total output being purchased by Nash, the majority of whose requirements are thus fulfilled.

Controlling interest in the Lafayette Motors Corporation of Lafayette, Indiana, was acquired by Nash in 1922 through purchase of majority of both common and preferred stock of the company. Lafayette produced a high priced line of eight cylinder cars which was later discontinued, and petition for dissolution of the company was filed in April, 1925.

In June, 1924, Nash organized the Ajax Motors Company which was given a perpetual charter under the laws of the State of Wisconsin, and which took over the title to property and plant formerly belonging to the Mitchell Motors Company, which was acquired by Nash in January, 1924, for slightly more than $400,000.

Ajax had an authorized capitalization of $3,000,000, 7 per cent. cumulative preferred stock, and 30,000 no-par common stock, all of which was owned by the Nash Motors Company. In 1926 the Ajax Motors Company name was changed to Nash Motors Company, Racine Division.

The Ajax Motors Company commenced active production of the Ajax, a line of light six cylinder cars, in 1925. After the company's name was changed, the name of Ajax was also changed to "Nash Light Six."

The original issue of 7 per cent. cumulative preferred stock of the Nash Motors Company was retired on February 1, 1923. On December 28, 1922, a new issue of 7 per cent. cumulative preferred stock of $100 par value, amounting to $22,500,000, was authorized, $16,380,000 of which was paid to common stockholders as a stock dividend in the ratio of three shares of preferred for each share of common held. This entire issue was retired on February 1, 1926.

The original authorized common stock issue of 50,000 shares of no-par stock was increased to 52,000 shares on January 8, 1919, and to 55,000 shares on January 14, 1920. The original outstanding number of shares was increased from 50,000 to 54,600 shares through sale of such shares to employees. No further change in the common stock capital structure occurred until December 28, 1922, at which time a 400 per cent. stock dividend was paid, and the authorized issue was increased to 300,000 shares, with 273,000 shares outstanding. A further increase to 2,730,000 shares occurred on February 19, 1926, when a stock dividend of 900 per cent. was paid to stockholders. This is the present amount of authorized and outstanding common stock of the Nash Motors Company. There is no funded debt.

While Nash formerly produced a considerable number of trucks, commercial vehicle production has been practically negligible for several years, and the company has concentrated its efforts toward the production of a complete line of medium priced six cylinder passenger cars, covering a price range between $885 and $1865, (including price reductions effective August 12, 1929.) The line consists of three chassis models, known as the "Standard' "Special" and "Advanced", which are manufactured in 24 different body types. The line is known as the "400" series, and was introduced June 21, 1928.

Nash has held a position among the leaders in the automotive industry in volume of units produced for many years, and in 1928 ranked ninth in this respect, with a total output of 161,631 units.

The total property of the Nash Motors Company consists of 175 acres of land located in Kenosha, Milwaukee and Racine, on which the company's plants are located. The Seaman Body Corporation also owns a plant at Pine Bluff, Arkansas, from which it obtains wood (dried and cut to size) for body construction.

Nash Motors Company's retail organization is large, consisting of approximately 2,000 dealers and distributors in the United States and Canada, and export business is conducted on a large scale with representation in practically every foreign country.

The officers and directors of the Nash Motors Company are as follows:

The Ajax Motors Company commenced active production of the Ajax, a line of light six cylinder cars, in 1925. After the company's name was changed, the name of Ajax was also changed to "Nash Light Six."

The original issue of 7 per cent. cumulative preferred stock of the Nash Motors Company was retired on February 1, 1923. On December 28, 1922, a new issue of 7 per cent. cumulative preferred stock of $100 par value, amounting to $22,500,000, was authorized, $16,440,000 of which was paid to common stockholders as a stock dividend in the ratio of three shares of preferred for each share of common held. This entire issue was retired on February 1, 1926.

The original authorized common stock issue of 50,000 shares of no-par stock was increased to 52,000 shares on January 9, 1919, and to 55,000 shares on January 14, 1920. The original outstanding number of shares was increased from 50,000 to 54,800 shares through sale of such shares to employees. No further change in the common stock authorized and outstanding occurred until December 28, 1922, at which time a 400 per cent. stock dividend was paid, and the authorized issue was increased to 300,000 shares, with 274,000 shares outstanding. A further increase to 2,740,000 shares occurred on February 12, 1926, when a stock dividend of 900 per cent. was paid to stockholders. This is the present amount of authorized and outstanding common stock of the Nash Motors Company. There is no funded debt.

While Nash formerly produced a considerable number of trucks, commercial vehicle production has been practically negligible for several years, and the company has concentrated its efforts toward the production of a complete line of medium priced six cylinder passenger cars, covering a price range between $865 and $1985, (including price reductions effective August 13, 1929.) The line consists of three separate models, known as the "Standard", "Special" and "Advanced", which are manufactured in 24 different body types. The line is known as the "400" series, and was introduced June 21, 1928.

Nash has held a position among the leaders in the automotive industry in volume of units produced for many years, and in 1928 ranked ninth in this respect, with a total output of 138,137 units.

The total property of the Nash Motors Company consists of 175 acres of land located in Kenosha, Milwaukee and Racine, on which the company's plants are located. The Seaman Body Corporation also owns a plant at Rice Lake, Wisconsin, from which it obtains wood (dried and cut to sizes) for body construction.

Nash Motors Company's retail organization is large, consisting of approximately 2,300 dealers and distributors in the United States and Canada, while export business is conducted on a large scale with representation in practically every foreign country.

The officers and directors of the Nash Motors Company are as follows:

Charles W. Nash-------------Chairman of the Board and President
Walter H. Alford-------Vice-President, Comptroller and Director
Milton H. Pettit---Vice-President, General Manager and Director
Robert F. Herrick-------------------Vice-President and Director
James T. Wilson---------------------Vice-President and Director
George H. Eddy---Treasurer
Horace J. Mellum---------------------------------------Secretary
Frederic W. Allen---------------------------------------Director
Thomas M. Kearney---------------------------------------Director
Emory W. Clark--Director
George C. Lee---Director
Samuel F. Pryor---Director
Harold H. Seaman--Director

EARNINGS

Undoubtedly the Nash Motors Company is one of the outstanding companies in the automobile industry from the standpoint of Earnings. Few other companies have shown a more rapid and at the same time sounder growth than has been the case with Nash. The company has been successful practically from the time of its organization and its consistently high Earnings and uninterrupted growth, together with its present high position in the industry are all indicative of the company's management and quality of product.

Based on the fiscal years ending November 30th, the company's Earnings record since 1922 has shown a very high rate of growth. Net Income for the 1922 fiscal year amounted to $7,613,246, followed by a Net Income figure during each of the next two fiscal years slightly in excess of $9,250,000. Net Income for the 1925 fiscal year reflected considerable improvement over any previous year, amounting to $16,256,216. During the 1926 fiscal year the company established an Earnings record that has stood as the record since that time. Net Income for that year amounted to $23,346,306.

Nash's operations during the 1928 fiscal year resulted in a Net Income of $20,820,085, as compared with a similar figure shown for the 1927 fiscal year of $22,670,745. Taking into consideration the period extending from 1922 to 1928, we find that the company's average annual Net Income was equal to $15,609,596.

The consolidated Net Income account for the six months ending May 31, 1929, amounted to $10,742,199, as compared with $5,372,581 earned during the corresponding first six months of the company's 1928 fiscal year.

The growth that occurred in the Net Income account of the Nash Motors Company during the 1922-1928 period, can be readily noted by an examination of the following table, showing the company's annual Net Income record from November 30, 1922 to May 31, 1929:

NET INCOME

1922 --	$ 7,613,246
1923 --	9,280,032
1924 --	9,280,541
1925 --	16,256,216
1926 --	23,346,306
1927 --	22,670,745
1928 --	20,820,085
Average	$ 15,609,596

Six Months May 31, 1929 -- $ 10,742,199

Note: Based on fiscal years ending November 30th.

Per Share Earnings, based on the number of shares of Common stock outstanding at the end of each fiscal year, show considerable variation from year to year during the 1922-1928 period. On this basis, Per Share Earnings on the company's Common stock have varied between $132.80 on November 30, 1922 and $7.63 Per Share during the 1928 fiscal year.

Undoubtedly a comparison of Per Share Earnings on the basis of the number of shares of Common stock now outstanding would give a much clearer picture. On this basis, although Earnings for each of the past two years have not been as high as was the case in 1926, still they have been at such levels as to compare very favorably with any previous figures worked out on a comparable basis. Based on the number of shares now outstanding, Per Share Earnings have averaged $5.43 during the 1922-1928 period, compared with $7.63 Per Share at the end of the 1928 fiscal year, $8.30 at the end of the 1927 fiscal year and $8.50 at the end of the 1926 fiscal year.

The Net Income for the six months ending May 31, 1929, was equal to Per Share Earnings of $3.93, as compared with only $1.96 Per Share earned during the same period of the previous year. Based on results for the first half of the year, it would seem that Nash's 1929 fiscal year operations would compare very favorably with previous years.

The following tables show Per Share Earnings based on the number of shares outstanding at the end of each year, as well as Per Share Earnings based on the number of shares now outstanding:

PER SHARE EARNINGS
ON COMMON STOCK

1922 --	$ 132.80
1923 --	28.00
1924 --	27.65
1925 --	54.13
1926 --	8.50

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1927 -- $ 8.30
1928 -- 7.63

Average $ 38.14

Six Months May 31, 1929 -- $ 3.93

Note: Based on number of shares outstanding at end of each fiscal year which ends on November 30th.

PER SHARE EARNINGS
ON COMMON STOCK

1922 -- $ 2.65
1923 -- 2.80
1924 -- 2.76
1925 -- 5.41
1926 -- 8.50
1927 -- 8.30
1928 -- 7.63

Average $ 5.43

Six Months May 31, 1929 -- $ 3.93

Note: Based on number of shares now outstanding.

A comparison of Earnings with total dividend payments as shown by Nash during each of the past seven fiscal years, shows that in spite of what appears to be a liberal dividend rate, the ratio of Earnings to regular dividends has been relatively high. The levels reached by this comparison are evident from an examination of the following table which shows these ratios from November 30, 1922 to the end of the 1928 fiscal year:

RATIO OF NET INCOME
TO DIVIDENDS

1922 -- 8.30 to 1
1923 -- 4.66 to 1
1924 -- 3.95 to 1
1925 -- 7.73 to 1
1926 -- 1.41 to 1
1927 -- 2.07 to 1
1928 -- 1.91 to 1

Average 4.29 to 1

Considering Nash's Income from the standpoint of Earnings on Invested Capital, we find that very unusual conditions have existed. The results of this comparison show that the company's operations have not only been favorable, but compared with nearly all other companies, Nash's Earnings on Invested Capital have been actually phenomenal. During the 1922-1928 period, the company's Earnings on Invested Capital averaged 135.8 per cent. The results of the company's operations during its 1928 fiscal year showed a return on Invested Capital of slightly less than 150 per cent. There has not been a great deal of variation in the Earnings on Invested Capital since 1925. The high levels reached by Nash can be readily determined by an examination of the following table:

EARNINGS ON
INVESTED CAPITAL

1922 -- 189.8 %
1923 -- 53.4
1924 -- 55.7
1925 -- 168.6
1926 -- 168.1
1927 -- 164.7
1928 -- 149.9

Average 135.8 %

Up to the end of the 1928 fiscal year, extra dividends had been customary for some time previous to that period. Beginning with the first quarter of the company's 1929 fiscal year ending February 1st, the dividend rate was increased from an annual rate of $4.00 to an annual rate of $6.00 per share. On the basis of the number of shares now outstanding, this means that during the 1929 fiscal year, the company's dividend requirements will be $16,380,000. Of the required amount, $10,742,199 was earned during the first six months of the 1929 fiscal year, leaving a balance of $5,637,801 to be earned during the last six months of the company's 1929 fiscal year.

FINANCIAL CONDITION

The high rate of earning power maintained by the Nash Motors Company during recent years has been paralleled by an excellent and generally improving financial condition. Summarizing the various financial comparisons, we find that in nearly every case each year shows some degree of improvement over the preceding one, and that 1928 in general shows this company in an exceptionally sound and favorable position.

Current Assets have shown a marked degree of increase during the 1922-1928 period, this account amounting to $25,610,703 at the end of the 1922 fiscal year. At the end of each fiscal year from that time up to the end of 1928, we find that Current Assets have been larger than was the case during any previous year in the period, reaching a climax in 1928. The November 30, 1928 balance sheet showed Current Assets equal to $53,947,598.

Current Liabilities have been kept at relatively low levels, this account on November 30, 1928, showing a total of $9,797,042, reflecting a slight increase over the corresponding account at the end of 1927 but indicating a considerable drop from the $13,125,461 shown at the end of the 1926 fiscal year and the $12,115,471 in Current Liabilities shown at the end of the 1925 fiscal year.

Dividing the Current Assets listed by this company on the November 30, 1928 balance sheet, by the Current Liabilities as carried on the same balance sheet, we find a current ratio of 5.5 to 1, as compared with 5.3 to 1 at the end of the 1927 fiscal year. Up to 1927, there had been very little variation in the company's current ratios, these ratios varying between 3.2 to 1 at the end of the 1924 fiscal year and 3.7 to 1 at the end of the 1923 fiscal year. On an average, the current ratios for the 1922-1928 period have been equal to 4.0 to 1. The following table contains the detailed ratios:

RATIO OF CURRENT ASSETS TO CURRENT LIABILITIES

1922 -- 3.6 to 1
1923 -- 3.7 to 1
1924 -- 3.2 to 1
1925 -- 3.5 to 1
1926 -- 3.5 to 1
1927 -- 5.3 to 1
1928 -- 5.5 to 1

Average 4.0 to 1

Note: Based on fiscal years ending November 30th.

Current Assets as shown by Nash during the past seven years have assumed a very substantial percentage of the company's Total Assets. On an average during the 1922-1928 period, Current Assets have been equal to more than four-fifths of the existing Total Assets. Of the company's Total Assets, 84.9 per cent. were in the form of Current Assets at the end of the 1928 fiscal year, as compared with a corresponding percentage relationship of 84 per cent. at the end of the previous fiscal year. The 1928 relationship was above the corresponding figures for any of the previous fiscal years of the period under consideration. The detailed yearly percentages are given below:

PERCENTAGE OF CURRENT ASSETS TO TOTAL ASSETS

1922 -- 74.1 %
1923 -- 76.2
1924 -- 77.8
1925 -- 82.8
1926 -- 82.8
1927 -- 84.0
1928 -- 84.9

Average 80.4 %

Note: Based on fiscal years ending November 30th.

Nash's Cash account alone has been sufficiently large for the company to show a satisfactory Cash position. However, if Cash is combined with United States Government Securities for each of the fiscal years from 1922 to 1928, we find that the company is in an unusually strong liquid position. The following table showing the amounts of Cash and United States Government Securities, as well as the combined total for each fiscal year since the beginning of 1922, clearly illustrates the strength of this company's liquid position:

	Cash	U. S. Government Securities	Total
1922 --	$ 10,383,985	$ 8,203,402	$ 18,587,387
1923 --	12,987,687	8,700,952	21,688,639
1924 --	18,019,019	9,800,952	27,819,971
1925 --	9,515,177	14,430,952	23,946,129

1926 --	$ 20,246,896	$ 15,445,952	$ 35,692,848
1927 --	23,344,163	18,930,171	42,274,334
1928 --	20,947,663	20,297,071	41,244,734
Average	$ 16,492,084	$ 13,687,065	$ 30,179,149

Note: Based on fiscal years ending November 30th.

Cash combined with United States Government Securities has been equal to an exceptionally large percentage of the company's Current Assets, the average for the 1922-1928 period being 74.3 per cent. The company's November 30, 1928 balance sheet shows Cash and United States Government Securities equal to 76.4 per cent. of the Current Assets, compared with a corresponding percentage of 84.7 per cent. at the end of the 1927 fiscal year and 76.3 per cent. at the end of the 1926 fiscal year. The yearly Cash and United States Government Securities to Current Assets comparisons are as follows:

PERCENTAGE OF CASH
TO CURRENT ASSETS

1922 -- 72.5 %
1923 -- 76.2
1924 -- 78.1
1925 -- 56.3
1926 -- 76.3
1927 -- 84.7
1928 -- 76.4

Average 74.3 %

Note: Based on fiscal years ending November 30th. Cash is combined with United States Government Securities.

Cash and Government Securities have been far in excess of Current Liabilities. On an average during the 1922-1928 period, there has been $3.23 in Cash and Securities to each dollar outstanding in the form of current obligations. The ratio of 4.21 to 1 for the 1928 fiscal year was above all of the years of the period under consideration, with the exception of the 1927 relationship which reached a peak ratio of 4.56 to 1. The yearly ratios are given in the following table:

RATIO OF CASH
TO CURRENT LIABILITIES

1922 -- 2.62 to 1
1923 -- 2.84 to 1
1924 -- 2.54 to 1
1925 -- 1.98 to 1
1926 -- 3.85 to 1
1927 -- 4.56 to 1
1928 -- 4.21 to 1

Average 3.23 to 1

Note: Based on fiscal years ending
November 30th. Cash is combined with
United States Government Securities.

Comparing Cash and United States Government Securities with Accounts Payable, we find that apparently Accounts Payable have been kept at very low levels. At the end of the 1928 fiscal year there were $14.27 in Cash and Securities to each dollar outstanding in the form of Accounts Payable, compared with $26.49 at the end of the 1927 fiscal year, $14.21 at the end of the 1926 fiscal year, and an average of $12.29 in Cash and Securities to each dollar outstanding in the form of Accounts Payable during the 1922-1928 period. The ratios of Cash and United States Government Securities to Accounts Payable are given below:

RATIO OF CASH
TO ACCOUNTS PAYABLE

1922 -- 7.19 to 1
1923 -- 12.10 to 1
1924 -- 5.58 to 1
1925 -- 6.18 to 1
1926 -- 14.21 to 1
1927 -- 26.49 to 1
1928 -- 14.27 to 1

Average 12.29 to 1

Note: Based on fiscal years ending
November 30th. Cash is combined with
United States Government Securities.

This company's Inventory position is apparently in line with the sound financial policies evident in previous comparisons. Cash, including United States Government Securities, has at all times been kept far in excess of Inventories. During the 1922-1928 period, there was on an average of $5.86 in Cash and Securities to each dollar invested in Inventories. The November 30, 1928 Cash and Securities to Inventories comparison shows a ratio of 7.1 to 1, compared with a corresponding ratio at the end of the 1927 fiscal year of 10.31 to 1. The annual Cash and United States Government Securities to Inventories comparisons are shown in the following table:

RATIO OF CASH
TO INVENTORIES

1922 -- 4.16 to 1
1923 -- 4.45 to 1
1924 -- 6.49 to 1
1925 -- 3.16 to 1
1926 -- 5.32 to 1
1927 --10.31 to 1
1928 -- 7.10 to 1

Average 5.86 to 1

Note: Based on fiscal years ending
November 30th. Cash is combined with
United States Government Securities.

Reflecting inversely what has just been said regarding the company's Cash and Securities to Inventories position, we find that Inventories have been comparatively low, and in no case has the material on hand at the end of any year exceeded 17 per cent. of the company's Current Assets. Inventories as carried on the November 30, 1928 balance sheet amounted to only 11 per cent. of the company's Current Assets, compared with 8 per cent. at the end of the company's 1927 fiscal year and an average of 14 per cent. for the 1922-1928 period. The following table shows the percentages of Inventories to Current Assets.

PERCENTAGE OF INVENTORIES
TO CURRENT ASSETS

1922 -- 17 %
1923 -- 17
1924 -- 12
1925 -- 17
1926 -- 14
1927 -- 8
1928 -- 11

Average 14 %

Note: Based on fiscal years ending November 30th.

The company's fixed assets appear in as favorable a light as do the Current Assets. The Net Property account at the end of 1928 amounted to only 12.9 per cent. of the Total Assets for that period, as compared with 14.2 per cent. at the end of the 1927 fiscal year. Considering the 1922-1928 period as a whole, we find that on an average, Net Property has amounted to 13.8 per cent. of the company's Total Assets. The yearly figures are as follows:

PERCENTAGE OF NET PROPERTY
TO TOTAL ASSETS

1922 -- 14.8 %
1923 -- 13.3
1924 -- 10.9
1925 -- 15.3
1926 -- 15.3
1927 -- 14.2
1928 -- 12.9

Average 13.8 %

Note: Based on fiscal years ending November 30th.

Few manufacturers are able to report annual Net Income in excess of Property Investment. Nash has not only been able to show Net Income in excess of Property during the past seven years, but in addition, from 1925 to 1928 inclusive, Income has been has been double or more than double the Net Property Account. On an average from 1922 to 1928, Net Income has been 2.1 times the company's Property account. Detailed yearly comparisons are given in the following table.

RATIO OF NET INCOME TO NET PROPERTY

1922 -- 1.4 to 1
1923 -- 1.8 to 1
1924 -- 1.8 to 1
1925 -- 2.0 to 1
1926 -- 2.7 to 1
1927 -- 2.6 to 1
1928 -- 2.5 to 1

Average 2.1 to 1

Note: Based on fiscal years ending November 30th.

The Nash Motors Company does not show any Goodwill Account.

The Surplus account at the end of the 1928 fiscal year amounted to $38,137,180, as compared with $33,697,095 at the end of the 1927 fiscal year.

On November 30th, 1928, the Indicated Total Book Value, including Contingencies and Miscellaneous Reserves, amounted to $53,721,874. Basing our comparisons on the 2,730,000 shares of Common stock outstanding on that date, we find a Per Share Equity of $19.68, compared with $18.33 Per Share at the end of the 1927 fiscal year and $15.85 Per Share at the end of the 1926 fiscal year.

The latest available balance sheet, that issued as of November 30, 1928, follows:

THE NASH MOTORS COMPANY
CONSOLIDATED BALANCE SHEET
NOVEMBER 30th, 1928

ASSETS:

Land, Bldgs., Equip. (less depreciation)	$ 8,216,058.00
Miscellaneous Investments	1,286,049.00
Prepaid Expenses	69,211.00
Current Assets	
Cash	20,947,663.00
Notes Receivable	63,000.00

Accounts Receivable	$ 6,830,824.00
United States Government Securities	20,297,071.00
Inventories	5,809,040.00
Total Current Assets	$ 53,947,598.00
Total Assets	$ 63,518,916.00

LIABILITIES

Common Stock (2,730,000 no par shares)	$ 13,887,000.00
Reserve for Contingencies	1,682,135.00
Miscellaneous Reserves	15,559.00
Surplus	38,137,180.00

Current Liabilities

Accounts Payable	2,890,101.00
Reserve for Federal and other taxes	6,866,876.00
Reserve for possible losses in Accounts Receivable	40,065.00
Total Current Liab.	$ 9,797,042.00
Total Liab.	$ 63,518,916.00

* Net Working Capital	$ 44,150,556.00

PROSPECT

The Nash Motors Company has had a record of constructive achievement that is worthy of comparison with any other motor car manufacturer.

Its position in the industry is stable, its product has merited public confidence, its financial condition is remarkable, and the policies of its management, while conservative with respect to innovation in its products, have shown readiness to bend to the public's will and inclination when the trend of desire is indicated.

The spectacular (one might almost say phenomenal) growth of Nash since its organization is concrete evidence of the character and ability of its management, but, however able those in charge of its affairs may be, conditions are not likely to permit of future growth in any way comparable to its past expansion.

In an analysis of the Nash Motors Company published on September 29,1928, we stated "the company has probably now reached or will soon reach that level of operations when further growth becomes less important than holding what has already been gained." We see no reason now for change of that viewpoint.

The present series of Nash cars has been in production over a year, and volume of output has shown a marked decline in each of the last three months in comparison with the immediately preceding month, which would seem to indicate a somewhat lessened public appetite for this particular series of cars. However, Nash has indicated its intent of announcing an entirely new line of cars within a short time which should again stimulate buying interest.

Although each of the past several years has witnessed an increased production for Nash, it is hardly conceivable that the production for the calendar year of 1929 will equal that of 1928, and probably will fall somewhat short of the output of 1927, but in view of the excellent earnings shown for the first six months of its fiscal year (which will end November 30, 1929), we would estimate earnings for the yearly period ending on that date to reasonably compare with the earnings for the fiscal year of 1928, when $7.63 per share was disclosed, although in all probability the earnings will be somewhat less than that figure.

While this amount would not be greatly in excess of dividend requirements ($6.00), a glance at the balance sheet will indicate why it is not necessary to doubt the company's ability to continue this rate well into the future.

An idea of the manner in which Nash has prospered may be gathered from the fact that, if one had obtained 100 shares of original Nash Motors Company common stock, and retained it together with all stock received as dividends (including the preferred stock until retired), he would have at present 5,000 shares of common stock with a market value of approximately $425,000, and would have received in cash (including retirement value of preferred stock) the sum of $128,400, a record which speaks for itself.

With plants and equipment carried at a most conservative figure both with respect to replacement value and in comparison with similar figures in balance sheets of its competitors, with investments in subsidiary companies carried in an equally conservative manner, with its splendid cash position, with its record of earnings on invested capital by far the best in the industry (size considered), and with a most pleasing rate of inventory turnover, Nash certainly bears evidence to the fact that those responsible for its direction are capable of facing and surmounting any future phase of competitive development within the industry.

* * *

NASH PRODUCTION

	1925	1926	1927	1928	1929
Jan.	5,600	5,678	8,150	8,500	11,987
Feb.	7,074	9,900	12,352	10,798	12,076
Mar.	8,132	10,082	16,873	13,363	15,384
Apr.	8,750	12,350	14,157	14,396	16,066
May	7,425	11,067	13,402	6,749	12,117
June	10,700	16,800	14,606	15,400	9,070
July	9,000	15,350	15,212	19,900	6,672
Aug.	10,500	15,975	18,470	22,525	
Sept.	8,500	16,100	17,410	20,606	
Oct.	8,448	12,875	14,932	17,255	
Nov.	5,380	7,337	7,000	8,575	
Dec.	3,250	3,637	3,228	3,564	
Total	92,759	137,151	155,792	161,631	

NASH DOMESTIC RETAIL SALES

	1925	1926	1927	1928	1929
Jan.	2,908	5,604	5,222	4,481	6,635
Feb.	3,749	5,889	5,906	5,251	6,170
Mar.	6,857	10,202	9,656	8,604	10,887
Apr.	9,589	15,259	12,979	11,482	15,558
May	8,867	15,383	11,444	9,696	14,412
June	7,487	12,121	10,704	7,102	11,023
July	6,305	12,574	13,037	14,614	
Aug.	7,935	11,121	12,766	15,714	
Sept.	7,418	9,962	9,204	12,651	
Oct.	6,359	9,465	7,808	12,086	
Nov.	4,889	6,184	5,560	7,045	
Dec.	4,588	4,492	4,098	5,057	
Total	76,951	118,256	108,384	113,783	

PARTS AND ACCESSORIES MANUFACTURERS FURNISHING NASH ORIGINAL EQUIPMENT

Manufacturer	Product
A. C. Spark Plug Company	Speedometers, Spark Plugs
Bassick Manufacturing Company	Chassis Lubrication
Biflex Corporation	Bumpers
Bijur Lubricating Corporation	Chassis Lubrication
Bohn Aluminum & Brass Corp.	Pistons
Borg & Beck Company	Clutches
Brown Manufacturing Company	Lamps
Carter Carburetor Corporation	Carburetors
Delco-Remy Corporation	Shock Absorbers
Electric Auto-Lite Company	Generators, Starters, Ign.
Gemmer Manufacturing Company	Steering Gears
Goodyear Tire & Rubber Company	Tires
C. M. Hall Lamp Company	Lamps
Houde Engineering Company	Shock Absorbers
Marvel Carburetor Company	Carburetors
Modine Manufacturing Company	Radiators
Motor Wheel Corporation	Wheels, Rims
Ross Gear & Tool Company	Steering Gears
Seaman Body Company	Bodies
A. O. Smith Corporation	Frames
Stewart-Warner Speedometer Corp.	Speedometers
USL Battery Corporation	Batteries

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